



Reprinted  
February 10, 2015

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## SENATE BILL No. 567

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DIGEST OF SB 567 (Updated February 9, 2015 3:00 pm - DI 87)

**Citations Affected:** IC 36-7.

**Synopsis:** Redevelopment commissions and authorities. Requires a redevelopment commission or redevelopment authority to hold an organizational meeting on a day in January that is not a Saturday, a Sunday, or a legal holiday and that is their first meeting day of the year. Provides that the fiscal officer of a redevelopment commission may disburse funds only after the disbursement is approved by the redevelopment commission. Allows a redevelopment commission to specify types of disbursements that the fiscal officer may make in advance of the commission's approval at its next regular meeting. Requires the treasurer of a redevelopment commission to report annually to the redevelopment commission before March 1 (rather than reporting to the fiscal body of the unit before July 1, under current law). Requires the treasurer of a redevelopment authority to report annually to the redevelopment authority before March 1 (rather than reporting to the fiscal body of the unit before July 1, under current law). Requires redevelopment commissions and redevelopment authorities to report annually to the unit's executive and fiscal body and the department of local government finance before March 15. Specifies that certain information currently reported annually by redevelopment commissions before August 1 shall instead be included with the March 15 report. Specifies information to be included in the annual report of a redevelopment authority.

**Effective:** January 1, 2016.

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**Miller Pete, Broden**

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January 20, 2015, read first time and referred to Committee on Local Government.  
February 5, 2015, amended, reported favorably — Do Pass.  
February 9, 2015, read second time, amended, ordered engrossed.

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SB 567—LS 6789/DI 73





Reprinted  
February 10, 2015

First Regular Session 119th General Assembly (2015)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2014 Regular Session and 2014 Second Regular Technical Session of the General Assembly.

## SENATE BILL No. 567

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A BILL FOR AN ACT to amend the Indiana Code concerning local government.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 36-7-14-8, AS AMENDED BY P.L.149-2014,  
2       SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
3       JANUARY 1, 2016]: Sec. 8. (a) The redevelopment commissioners  
4       shall hold a meeting for the purpose of organization not later than thirty  
5       (30) days after they are appointed and, after that, each year on ~~the first~~  
6       ~~day~~ **a day** in January that is not a Saturday, a Sunday, or a legal holiday  
7       **and that is their first meeting day of the year.** They shall choose one  
8       (1) of their members as president, another as vice president, and  
9       another as secretary. These officers shall perform the duties usually  
10      pertaining to their offices and shall serve from the date of their election  
11      until their successors are elected and qualified.  
12      (b) The fiscal officer of the unit establishing a redevelopment  
13      commission is the treasurer of the redevelopment commission.  
14      Notwithstanding any other provision of this chapter, **but subject to**  
15      **subsection (c)**, the treasurer has charge over and is responsible for the  
16      administration, investment, and disbursement of all funds and accounts

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of the redevelopment commission in accordance with the requirements of state laws that apply to other funds and accounts administered by the fiscal officer. The treasurer shall report annually to the ~~fiscal body of the unit~~ **redemption commission** before ~~July~~ **March 1**.

(c) **The treasurer of the redevelopment commission may disburse funds of the redevelopment commission only after the redevelopment commission allows and approves the disbursement. However, the redevelopment commission may, by rule or resolution, authorize the treasurer to make certain types of disbursements before the redevelopment commission's allowance and approval at its next regular meeting.**

~~(c)~~ (d) The redevelopment commissioners may adopt the rules and bylaws they consider necessary for the proper conduct of their proceedings, the carrying out of their duties, and the safeguarding of the money and property placed in their custody by this chapter. In addition to the annual meeting, the commissioners may, by resolution or in accordance with their rules and bylaws, prescribe the date and manner of notice of other regular or special meetings.

~~(d)~~ (e) This subsection does not apply to a county redevelopment commission that consists of seven (7) members. Three (3) of the redevelopment commissioners constitute a quorum, and the concurrence of three (3) commissioners is necessary to authorize any action.

~~(e)~~ (f) This subsection applies only to a county redevelopment commission that consists of seven (7) members. Four (4) of the redevelopment commissioners constitute a quorum, and the concurrence of four (4) commissioners is necessary to authorize any action.

SECTION 2. IC 36-7-14-13, AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2015 GENERAL ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2016]: Sec. 13. (a) Not later than March 15 of each year, the redevelopment commissioners or their designees shall file with the unit's executive **and fiscal body** a report setting out their activities during the preceding calendar year.

(b) The report of the commissioners of a municipal redevelopment commission must show the names of the then qualified and acting commissioners, the names of the officers of that body, the number of regular employees and their fixed salaries or compensation, the amount of the expenditures made during the preceding year and their general purpose, an accounting of the tax increment revenues expended by any entity receiving the tax increment revenues as a grant or loan from the



commission, the amount of funds on hand at the close of the calendar year, and other information necessary to disclose the activities of the commissioners and the results obtained.

(c) The report of the commissioners of a county redevelopment commission must show all the information required by subsection (b), plus the names of any commissioners appointed to or removed from office during the preceding calendar year.

(d) A copy of each report filed under this section must be submitted to the department of local government finance in an electronic format.

(e) ~~Before August 1 each year, the redevelopment commissioners shall also submit a report to the fiscal body of the unit.~~ The report **required under subsection (a)** must **also** include the following information set forth for each tax increment financing district regarding the previous year:

(1) Revenues received.

(2) Expenses paid.

(3) Fund balances.

(4) The amount and maturity date for all outstanding obligations.

(5) The amount paid on outstanding obligations.

(6) A list of all the parcels included in each tax increment financing district allocation area and the base assessed value and incremental assessed value for each parcel in the list.

~~Before October 1 each year, the fiscal body shall compile the reports received for all the tax increment financing districts and submit a comprehensive report to the department of local government finance in the form required by the department of local government finance.~~

~~(e)~~ (f) A redevelopment commission and a department of redevelopment are subject to the same laws, rules, and ordinances of a general nature that apply to all other commissions or departments of the unit.

SECTION 3. IC 36-7-14-39, AS AMENDED BY P.L.95-2014, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2016]: Sec. 39. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a declaratory resolution adopted under section 15 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally



- 1 determined for the assessment date immediately preceding the  
 2 effective date of the allocation provision of the declaratory  
 3 resolution, as adjusted under subsection (h); plus  
 4 (B) to the extent that it is not included in clause (A), the net  
 5 assessed value of property that is assessed as residential  
 6 property under the rules of the department of local government  
 7 finance, as finally determined for any assessment date after the  
 8 effective date of the allocation provision.
- 9 (2) If an allocation provision is adopted after June 30, 1997, in a  
 10 declaratory resolution or an amendment to a declaratory  
 11 resolution establishing a redevelopment project area:  
 12 (A) the net assessed value of all the property as finally  
 13 determined for the assessment date immediately preceding the  
 14 effective date of the allocation provision of the declaratory  
 15 resolution, as adjusted under subsection (h); plus  
 16 (B) to the extent that it is not included in clause (A), the net  
 17 assessed value of property that is assessed as residential  
 18 property under the rules of the department of local government  
 19 finance, as finally determined for any assessment date after the  
 20 effective date of the allocation provision.
- 21 (3) If:  
 22 (A) an allocation provision adopted before June 30, 1995, in  
 23 a declaratory resolution or an amendment to a declaratory  
 24 resolution establishing a redevelopment project area expires  
 25 after June 30, 1997; and  
 26 (B) after June 30, 1997, a new allocation provision is included  
 27 in an amendment to the declaratory resolution;  
 28 the net assessed value of all the property as finally determined for  
 29 the assessment date immediately preceding the effective date of  
 30 the allocation provision adopted after June 30, 1997, as adjusted  
 31 under subsection (h).
- 32 (4) Except as provided in subdivision (5), for all other allocation  
 33 areas, the net assessed value of all the property as finally  
 34 determined for the assessment date immediately preceding the  
 35 effective date of the allocation provision of the declaratory  
 36 resolution, as adjusted under subsection (h).
- 37 (5) If an allocation area established in an economic development  
 38 area before July 1, 1995, is expanded after June 30, 1995, the  
 39 definition in subdivision (1) applies to the expanded part of the  
 40 area added after June 30, 1995.
- 41 (6) If an allocation area established in a redevelopment project  
 42 area before July 1, 1997, is expanded after June 30, 1997, the



1 definition in subdivision (2) applies to the expanded part of the  
2 area added after June 30, 1997.

3 Except as provided in section 39.3 of this chapter, "property taxes"  
4 means taxes imposed under IC 6-1.1 on real property. However, upon  
5 approval by a resolution of the redevelopment commission adopted  
6 before June 1, 1987, "property taxes" also includes taxes imposed  
7 under IC 6-1.1 on depreciable personal property. If a redevelopment  
8 commission adopted before June 1, 1987, a resolution to include within  
9 the definition of property taxes, taxes imposed under IC 6-1.1 on  
10 depreciable personal property that has a useful life in excess of eight  
11 (8) years, the commission may by resolution determine the percentage  
12 of taxes imposed under IC 6-1.1 on all depreciable personal property  
13 that will be included within the definition of property taxes. However,  
14 the percentage included must not exceed twenty-five percent (25%) of  
15 the taxes imposed under IC 6-1.1 on all depreciable personal property.

16 (b) A declaratory resolution adopted under section 15 of this chapter  
17 on or before the allocation deadline determined under subsection (i)  
18 may include a provision with respect to the allocation and distribution  
19 of property taxes for the purposes and in the manner provided in this  
20 section. A declaratory resolution previously adopted may include an  
21 allocation provision by the amendment of that declaratory resolution on  
22 or before the allocation deadline determined under subsection (i) in  
23 accordance with the procedures required for its original adoption. A  
24 declaratory resolution or amendment that establishes an allocation  
25 provision must include a specific finding of fact, supported by  
26 evidence, that the adoption of the allocation provision will result in  
27 new property taxes in the area that would not have been generated but  
28 for the adoption of the allocation provision. For an allocation area  
29 established before July 1, 1995, the expiration date of any allocation  
30 provisions for the allocation area is June 30, 2025, or the last date of  
31 any obligations that are outstanding on July 1, 2015, whichever is later.  
32 A declaratory resolution or an amendment that establishes an allocation  
33 provision after June 30, 1995, must specify an expiration date for the  
34 allocation provision. For an allocation area established before July 1,  
35 2008, the expiration date may not be more than thirty (30) years after  
36 the date on which the allocation provision is established. For an  
37 allocation area established after June 30, 2008, the expiration date may  
38 not be more than twenty-five (25) years after the date on which the first  
39 obligation was incurred to pay principal and interest on bonds or lease  
40 rentals on leases payable from tax increment revenues. However, with  
41 respect to bonds or other obligations that were issued before July 1,  
42 2008, if any of the bonds or other obligations that were scheduled when



issued to mature before the specified expiration date and that are payable only from allocated tax proceeds with respect to the allocation area remain outstanding as of the expiration date, the allocation provision does not expire until all of the bonds or other obligations are no longer outstanding. The allocation provision may apply to all or part of the redevelopment project area. The allocation provision must require that any property taxes subsequently levied by or for the benefit of any public body entitled to a distribution of property taxes on taxable property in the allocation area be allocated and distributed as follows:

(1) Except as otherwise provided in this section, the proceeds of the taxes attributable to the lesser of:

(A) the assessed value of the property for the assessment date with respect to which the allocation and distribution is made; or

(B) the base assessed value;

shall be allocated to and, when collected, paid into the funds of the respective taxing units.

(2) The excess of the proceeds of the property taxes imposed for the assessment date with respect to which the allocation and distribution is made that are attributable to taxes imposed after being approved by the voters in a referendum or local public question conducted after April 30, 2010, not otherwise included in subdivision (1) shall be allocated to and, when collected, paid into the funds of the taxing unit for which the referendum or local public question was conducted.

(3) Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivisions (1) and (2) shall be allocated to the redevelopment district and, when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 27 of this chapter.

(D) Pay the principal of and interest on bonds issued by the





unit to pay for local public improvements that are physically located in or physically connected to that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 25.2 of this chapter.

(G) Reimburse the unit for expenditures made by it for local public improvements (which include buildings, parking facilities, and other items described in section 25.1(a) of this chapter) that are physically located in or physically connected to that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.

(I) For property taxes first due and payable before January 1, 2009, pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the redevelopment commission. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area:

STEP ONE: Determine that part of the sum of the amounts under IC 6-1.1-21-2(g)(1)(A), IC 6-1.1-21-2(g)(2), IC 6-1.1-21-2(g)(3), IC 6-1.1-21-2(g)(4), and IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to the taxing district.

STEP TWO: Divide:

(i) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2 (before its repeal)) for that year as determined under IC 6-1.1-21-4 (before its repeal) that is attributable to the taxing district; by

(ii) the STEP ONE sum.

STEP THREE: Multiply:

(i) the STEP TWO quotient; times

(ii) the total amount of the taxpayer's taxes (as defined in IC 6-1.1-21-2 (before its repeal)) levied in the taxing district that have been allocated during that year to an allocation fund under this section.



If not all the taxpayers in an allocation area receive the credit in full, each taxpayer in the allocation area is entitled to receive the same proportion of the credit. A taxpayer may not receive a credit under this section and a credit under section 39.5 of this chapter (before its repeal) in the same year.

(J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. Public improvements include buildings, parking facilities, and other items described in section 25.1(a) of this chapter.

(K) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

- (i) in the allocation area; and
- (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

(L) Pay the costs of carrying out an eligible efficiency project (as defined in IC 36-9-41-1.5) within the unit that established the redevelopment commission. However, property tax proceeds may be used under this clause to pay the costs of carrying out an eligible efficiency project only if those property tax proceeds exceed the amount necessary to do the following:

- (i) Make, when due, any payments required under clauses (A) through (K), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this subdivision on the redemption before maturity of bonds, and any payments on leases payable under this subdivision.
- (ii) Make any reimbursements required under this subdivision.
- (iii) Pay any expenses required under this subdivision.
- (iv) Establish, augment, or restore any debt service reserve under this subdivision.



1 (M) Expend money and provide financial assistance as  
 2 authorized in section 12.2(a)(27) of this chapter.

3 The allocation fund may not be used for operating expenses of the  
 4 commission.

5 (4) Except as provided in subsection (g), before July ~~15~~ 1 of each  
 6 year, the commission shall do the following:

7 (A) Determine the amount, if any, by which the assessed value  
 8 of the taxable property in the allocation area for the most  
 9 recent assessment date minus the base assessed value, when  
 10 multiplied by the estimated tax rate of the allocation area, will  
 11 exceed the amount of assessed value needed to produce the  
 12 property taxes necessary to make, when due, principal and  
 13 interest payments on bonds described in subdivision (3), plus  
 14 the amount necessary for other purposes described in  
 15 subdivision (3).

16 (B) Provide a written notice to the county auditor, the fiscal  
 17 body of the county or municipality that established the  
 18 department of redevelopment, ~~and~~ the officers who are  
 19 authorized to fix budgets, tax rates, and tax levies under  
 20 IC 6-1.1-17-5 for each of the other taxing units that is wholly  
 21 or partly located within the allocation area, **and (in an**  
 22 **electronic format) the department of local government**  
 23 **finance.** The notice must:

24 (i) state the amount, if any, of excess assessed value that the  
 25 commission has determined may be allocated to the  
 26 respective taxing units in the manner prescribed in  
 27 subdivision (1); or

28 (ii) state that the commission has determined that there is no  
 29 excess assessed value that may be allocated to the respective  
 30 taxing units in the manner prescribed in subdivision (1).

31 The county auditor shall allocate to the respective taxing units  
 32 the amount, if any, of excess assessed value determined by the  
 33 commission. The commission may not authorize an allocation  
 34 of assessed value to the respective taxing units under this  
 35 subdivision if to do so would endanger the interests of the  
 36 holders of bonds described in subdivision (3) or lessors under  
 37 section 25.3 of this chapter.

38 (C) If:

39 (i) the amount of excess assessed value determined by the  
 40 commission is expected to generate more than two hundred  
 41 percent (200%) of the amount of allocated tax proceeds  
 42 necessary to make, when due, principal and interest



- 1 payments on bonds described in subdivision (3); plus  
 2 (ii) the amount necessary for other purposes described in  
 3 subdivision (3);  
 4 the commission shall submit to the legislative body of the unit  
 5 its determination of the excess assessed value that the  
 6 commission proposes to allocate to the respective taxing units  
 7 in the manner prescribed in subdivision (1). The legislative  
 8 body of the unit may approve the commission's determination  
 9 or modify the amount of the excess assessed value that will be  
 10 allocated to the respective taxing units in the manner  
 11 prescribed in subdivision (1).
- 12 (c) For the purpose of allocating taxes levied by or for any taxing  
 13 unit or units, the assessed value of taxable property in a territory in the  
 14 allocation area that is annexed by any taxing unit after the effective  
 15 date of the allocation provision of the declaratory resolution is the  
 16 lesser of:  
 17 (1) the assessed value of the property for the assessment date with  
 18 respect to which the allocation and distribution is made; or  
 19 (2) the base assessed value.
- 20 (d) Property tax proceeds allocable to the redevelopment district  
 21 under subsection (b)(3) may, subject to subsection (b)(4), be  
 22 irrevocably pledged by the redevelopment district for payment as set  
 23 forth in subsection (b)(3).
- 24 (e) Notwithstanding any other law, each assessor shall, upon  
 25 petition of the redevelopment commission, reassess the taxable  
 26 property situated upon or in, or added to, the allocation area, effective  
 27 on the next assessment date after the petition.
- 28 (f) Notwithstanding any other law, the assessed value of all taxable  
 29 property in the allocation area, for purposes of tax limitation, property  
 30 tax replacement, and formulation of the budget, tax rate, and tax levy  
 31 for each political subdivision in which the property is located is the  
 32 lesser of:  
 33 (1) the assessed value of the property as valued without regard to  
 34 this section; or  
 35 (2) the base assessed value.
- 36 (g) If any part of the allocation area is located in an enterprise zone  
 37 created under IC 5-28-15, the unit that designated the allocation area  
 38 shall create funds as specified in this subsection. A unit that has  
 39 obligations, bonds, or leases payable from allocated tax proceeds under  
 40 subsection (b)(3) shall establish an allocation fund for the purposes  
 41 specified in subsection (b)(3) and a special zone fund. Such a unit  
 42 shall, until the end of the enterprise zone phase out period, deposit each



year in the special zone fund any amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(3) for the year. The amount sufficient for purposes specified in subsection (b)(3) for the year shall be determined based on the pro rata portion of such current property tax proceeds from the part of the enterprise zone that is within the allocation area as compared to all such current property tax proceeds derived from the allocation area. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund (based on the recommendations of the urban enterprise association) for programs in job training, job enrichment, and basic skill development that are designed to benefit residents and employers in the enterprise zone or other purposes specified in subsection (b)(3), except that where reference is made in subsection (b)(3) to allocation area it shall refer for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone. Those programs shall reserve at least one-half (1/2) of their enrollment in any session for residents of the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment of real property in an area under IC 6-1.1-4-4 and after each reassessment in an area under a reassessment plan prepared under IC 6-1.1-4-4.2, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection:

(1) may not include the effect of phasing in assessed value due to property tax abatements under IC 6-1.1-12.1;



(2) may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(3) than would otherwise have been received if the general reassessment, the reassessment under the reassessment plan, or the annual adjustment had not occurred; and

(3) may decrease base assessed value only to the extent that assessed values in the allocation area have been decreased due to annual adjustments or the reassessment under the reassessment plan.

Assessed value increases attributable to the application of an abatement schedule under IC 6-1.1-12.1 may not be included in the base assessed value of an allocation area. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

SECTION 4. IC 36-7-14-48, AS AMENDED BY P.L.149-2014, SECTION 21, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2016]: Sec. 48. (a) Notwithstanding section 39(a) of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of a program adopted under section 45 of this chapter, "base assessed value" means the net assessed value of all of the property, other than personal property, as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section 39(h) of this chapter.

(b) The allocation fund established under section 39(b) of this chapter for the allocation area for a program adopted under section 45 of this chapter may be used only for purposes related to the accomplishment of the program, including the following:



(1) The construction, rehabilitation, or repair of residential units within the allocation area.

(2) The construction, reconstruction, or repair of any infrastructure (including streets, sidewalks, and sewers) within or serving the allocation area.

(3) The acquisition of real property and interests in real property within the allocation area.

(4) The demolition of real property within the allocation area.

(5) The provision of financial assistance to enable individuals and families to purchase or lease residential units within the allocation area. However, financial assistance may be provided only to those individuals and families whose income is at or below the county's median income for individuals and families, respectively.

(6) The provision of financial assistance to neighborhood development corporations to permit them to provide financial assistance for the purposes described in subdivision (5).

(7) For property taxes first due and payable before January 1, 2009, providing each taxpayer in the allocation area a credit for property tax replacement as determined under subsections (c) and (d). However, the commission may provide this credit only if the municipal legislative body (in the case of a redevelopment commission established by a municipality) or the county executive (in the case of a redevelopment commission established by a county) establishes the credit by ordinance adopted in the year before the year in which the credit is provided.

(c) The maximum credit that may be provided under subsection (b)(7) to a taxpayer in a taxing district that contains all or part of an allocation area established for a program adopted under section 45 of this chapter shall be determined as follows:

STEP ONE: Determine that part of the sum of the amounts described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2) through IC 6-1.1-21-2(g)(5) (before their repeal) that is attributable to the taxing district.

STEP TWO: Divide:

(A) that part of each county's eligible property tax replacement amount (as defined in IC 6-1.1-21-2) (before its repeal) for that year as determined under IC 6-1.1-21-4(a)(1) (before its repeal) that is attributable to the taxing district; by

(B) the amount determined under STEP ONE.

STEP THREE: Multiply:

(A) the STEP TWO quotient; by

(B) the taxpayer's taxes (as defined in IC 6-1.1-21-2) (before



its repeal) levied in the taxing district allocated to the allocation fund, including the amount that would have been allocated but for the credit.

(d) The commission may determine to grant to taxpayers in an allocation area from its allocation fund a credit under this section, as calculated under subsection (c). Except as provided in subsection (g), one-half (1/2) of the credit shall be applied to each installment of taxes (as defined in IC 6-1.1-21-2) (before its repeal) that under IC 6-1.1-22-9 are due and payable in a year. The commission must provide for the credit annually by a resolution and must find in the resolution the following:

(1) That the money to be collected and deposited in the allocation fund, based upon historical collection rates, after granting the credit will equal the amounts payable for contractual obligations from the fund, plus ten percent (10%) of those amounts.

(2) If bonds payable from the fund are outstanding, that there is a debt service reserve for the bonds that at least equals the amount of the credit to be granted.

(3) If bonds of a lessor under section 25.2 of this chapter or under IC 36-1-10 are outstanding and if lease rentals are payable from the fund, that there is a debt service reserve for those bonds that at least equals the amount of the credit to be granted.

If the tax increment is insufficient to grant the credit in full, the commission may grant the credit in part, prorated among all taxpayers.

(e) Notwithstanding section 39(b) of this chapter, the allocation fund established under section 39(b) of this chapter for the allocation area for a program adopted under section 45 of this chapter may only be used to do one (1) or more of the following:

(1) Accomplish one (1) or more of the actions set forth in section 39(b)(3)(A) through 39(b)(3)(H) and 39(b)(3)(J) of this chapter for property that is residential in nature.

(2) Reimburse the county or municipality for expenditures made by the county or municipality in order to accomplish the housing program in that allocation area.

The allocation fund may not be used for operating expenses of the commission.

(f) Notwithstanding section 39(b) of this chapter, the commission shall, relative to the allocation fund established under section 39(b) of this chapter for an allocation area for a program adopted under section 45 of this chapter, do the following before July 1 of each year:

(1) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent





assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to:

(A) make the distribution required under section 39(b)(2) of **this chapter**;

(B) make, when due, principal and interest payments on bonds described in section 39(b)(3) of this chapter;

(C) pay the amount necessary for other purposes described in section 39(b)(3) of this chapter; and

(D) reimburse the county or municipality for anticipated expenditures described in subsection (e)(2).

(2) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, ~~and~~ the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area, **and (in an electronic format) the department of local government finance.** The notice must:

(A) state the amount, if any, of excess property taxes that the commission has determined may be paid to the respective taxing units in the manner prescribed in section 39(b)(1) of this chapter; or

(B) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in subdivision (1).

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission.

(3) If:

(A) the amount of excess assessed value determined by the commission is expected to generate more than two hundred percent (200%) of the amount of allocated tax proceeds necessary to make, when due, principal and interest payments on bonds described in subdivision (1); plus

(B) the amount necessary for other purposes described in subdivision (1);

the commission shall submit to the legislative body of the unit its determination of the excess assessed value that the commission proposes to allocate to the respective taxing units in the manner prescribed in subdivision (2). The legislative body of the unit may approve the commission's determination or modify the amount of



the excess assessed value that will be allocated to the respective taxing units in the manner prescribed in subdivision (2).

(g) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in IC 6-1.1-12-37) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (d) for the taxes (as defined in IC 6-1.1-21-2) (before its repeal) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2) (before its repeal).

SECTION 5. IC 36-7-14-52, AS ADDED BY P.L.7-2013, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2016]: Sec. 52. (a) Notwithstanding section 39(a) of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of the purposes of an age-restricted housing program adopted under section 49 of this chapter, "base assessed value" means the net assessed value of all of the property, other than personal property, as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section 39(h) of this chapter.

(b) The allocation fund established under section 39(b) of this chapter for the allocation area for an age-restricted housing program adopted under section 49 of this chapter may be used only for purposes related to the accomplishment of the purposes of the program, including, but not limited to, the following:

- (1) The construction of any infrastructure (including streets, sidewalks, and sewers) or local public improvements in, serving, or benefiting the allocation area.
- (2) The acquisition of real property and interests in real property within the allocation area.
- (3) The preparation of real property in anticipation of development of the real property within the allocation area.
- (4) To do any of the following:
  - (A) Pay the principal of and interest on bonds or any other obligations payable from allocated tax proceeds in the allocation area that are incurred by the redevelopment district for the purpose of financing or refinancing the age-restricted housing program established under section 49 of this chapter for the allocation area.



- 1 (B) Establish, augment, or restore the debt service reserve for
- 2 bonds payable solely or in part from allocated tax proceeds in
- 3 the allocation area.
- 4 (C) Pay the principal of and interest on bonds payable from
- 5 allocated tax proceeds in the allocation area and from the
- 6 special tax levied under section 27 of this chapter.
- 7 (D) Pay the principal of and interest on bonds issued by the
- 8 unit to pay for local public improvements that are physically
- 9 located in or physically connected to the allocation area.
- 10 (E) Pay premiums on the redemption before maturity of bonds
- 11 payable solely or in part from allocated tax proceeds in the
- 12 allocation area.
- 13 (F) Make payments on leases payable from allocated tax
- 14 proceeds in the allocation area under section 25.2 of this
- 15 chapter.
- 16 (G) Reimburse the unit for expenditures made by the unit for
- 17 local public improvements (which include buildings, parking
- 18 facilities, and other items described in section 25.1(a) of this
- 19 chapter) that are physically located in or physically connected
- 20 to the allocation area.
- 21 (c) Notwithstanding section 39(b) of this chapter, the commission
- 22 shall, relative to the allocation fund established under section 39(b) of
- 23 this chapter for an allocation area for an age-restricted housing program
- 24 adopted under section 49 of this chapter, do the following before July
- 25 ~~15~~ 1 of each year:
- 26 (1) Determine the amount, if any, by which the assessed value of
- 27 the taxable property in the allocation area for the most recent
- 28 assessment date minus the base assessed value, when multiplied
- 29 by the estimated tax rate of the allocation area, will exceed the
- 30 amount of assessed value needed to produce the property taxes
- 31 necessary to:
- 32 (A) make the distribution required under section 39(b)(2) of
- 33 this chapter;
- 34 (B) make, when due, principal and interest payments on bonds
- 35 described in section 39(b)(3) of this chapter;
- 36 (C) pay the amount necessary for other purposes described in
- 37 section 39(b)(3) of this chapter; and
- 38 (D) reimburse the county or municipality for anticipated
- 39 expenditures described in subsection (b)(2).
- 40 (2) Provide a written notice to the county auditor, the fiscal body
- 41 of the county or municipality that established the department of
- 42 redevelopment, and the officers who are authorized to fix budgets,



1 tax rates, and tax levies under IC 6-1.1-17-5 for each of the other  
 2 taxing units that is wholly or partly located within the allocation  
 3 area, **and (in an electronic format) the department of local**  
 4 **government finance.** The notice must:

5 (A) state the amount, if any, of excess property taxes that the  
 6 commission has determined may be paid to the respective  
 7 taxing units in the manner prescribed in section 39(b)(1) of  
 8 this chapter; or

9 (B) state that the commission has determined that there is no  
 10 excess assessed value that may be allocated to the respective  
 11 taxing units in the manner prescribed in subdivision (1).

12 The county auditor shall allocate to the respective taxing units the  
 13 amount, if any, of excess assessed value determined by the  
 14 commission.

15 SECTION 6. IC 36-7-14.5-9, AS AMENDED BY P.L.149-2014,  
 16 SECTION 23, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 17 JANUARY 1, 2016]: Sec. 9. (a) ~~Immediately after January 15 of Each~~  
 18 year, the board shall hold an organizational meeting **on a day that is**  
 19 **not a Saturday, a Sunday, or a legal holiday and that is their first**  
 20 **meeting day of the year.** It shall elect one (1) of the members  
 21 president, another vice president, and another secretary-treasurer to  
 22 perform the duties of those offices. These officers serve from the date  
 23 of their election and until their successors are elected and qualified.  
 24 The board may elect an assistant secretary-treasurer. Before ~~July~~  
 25 **March 1**, the secretary-treasurer shall report annually to **the board.**

26 **(b) Not later than March 15 of each year, the board shall submit**  
 27 **a report setting out its activities during the preceding calendar**  
 28 **year to:**

29 **(1) the executive and the fiscal body of the unit that established**  
 30 **the redevelopment authority; and**

31 **(2) the department of local government finance in an**  
 32 **electronic format.**

33 **(c) The report required under subsection (b) must also include**  
 34 **the following information set forth for each tax increment**  
 35 **financing district regarding the previous year:**

36 **(1) Revenues received.**

37 **(2) Expenses paid.**

38 **(3) Fund balances.**

39 **(4) The amount and maturity date for all outstanding**  
 40 **obligations.**

41 **(5) The amount paid on outstanding obligations.**

42 **(6) A list of all the parcels included in each tax increment**



**financing district allocation area and the base assessed value and incremental assessed value for each parcel in the list.**

~~(b)~~ **(d)** Special meetings may be called by the president of the board or any two (2) members of the board.

~~(c)~~ **(e)** A majority of the members constitutes a quorum, and the concurrence of a majority of the members is necessary to authorize any action.

SECTION 7. IC 36-7-15.1-3.5, AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2015 GENERAL ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2016]: Sec. 3.5. (a) The controller of the consolidated city is the fiscal officer of a commission subject to this chapter.

(b) The controller may obtain financial services on a contractual basis for purposes of carrying out the powers and duties of the commission and protecting the public interests related to the operations and funding of the commission. **Subject to subsection (c),** the controller has charge over and is responsible for the administration, investment, and disbursement of all funds and accounts of the ~~authority~~ **commission** in accordance with the requirements of state law that apply to other funds and accounts administered by the controller.

**(c) The controller may disburse funds of the commission only after the commission allows and approves the disbursement. However, the commission may, by rule or resolution, authorize the controller to make certain types of disbursements before the commission's allowance and approval at its next regular meeting.**

SECTION 8. IC 36-7-15.1-26, AS AMENDED BY P.L.95-2014, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2016]: Sec. 26. (a) As used in this section:

"Allocation area" means that part of a redevelopment project area to which an allocation provision of a resolution adopted under section 8 of this chapter refers for purposes of distribution and allocation of property taxes.

"Base assessed value" means the following:

(1) If an allocation provision is adopted after June 30, 1995, in a declaratory resolution or an amendment to a declaratory resolution establishing an economic development area:

(A) the net assessed value of all the property as finally determined for the assessment date immediately preceding the effective date of the allocation provision of the declaratory resolution, as adjusted under subsection (h); plus

(B) to the extent that it is not included in clause (A), the net assessed value of property that is assessed as residential



- 1 property under the rules of the department of local government  
 2 finance, as finally determined for any assessment date after the  
 3 effective date of the allocation provision.
- 4 (2) If an allocation provision is adopted after June 30, 1997, in a  
 5 declaratory resolution or an amendment to a declaratory  
 6 resolution establishing a redevelopment project area:
- 7 (A) the net assessed value of all the property as finally  
 8 determined for the assessment date immediately preceding the  
 9 effective date of the allocation provision of the declaratory  
 10 resolution, as adjusted under subsection (h); plus  
 11 (B) to the extent that it is not included in clause (A), the net  
 12 assessed value of property that is assessed as residential  
 13 property under the rules of the department of local government  
 14 finance, as finally determined for any assessment date after the  
 15 effective date of the allocation provision.
- 16 (3) If:
- 17 (A) an allocation provision adopted before June 30, 1995, in  
 18 a declaratory resolution or an amendment to a declaratory  
 19 resolution establishing a redevelopment project area expires  
 20 after June 30, 1997; and  
 21 (B) after June 30, 1997, a new allocation provision is included  
 22 in an amendment to the declaratory resolution;  
 23 the net assessed value of all the property as finally determined for  
 24 the assessment date immediately preceding the effective date of  
 25 the allocation provision adopted after June 30, 1997, as adjusted  
 26 under subsection (h).
- 27 (4) Except as provided in subdivision (5), for all other allocation  
 28 areas, the net assessed value of all the property as finally  
 29 determined for the assessment date immediately preceding the  
 30 effective date of the allocation provision of the declaratory  
 31 resolution, as adjusted under subsection (h).
- 32 (5) If an allocation area established in an economic development  
 33 area before July 1, 1995, is expanded after June 30, 1995, the  
 34 definition in subdivision (1) applies to the expanded part of the  
 35 area added after June 30, 1995.
- 36 (6) If an allocation area established in a redevelopment project  
 37 area before July 1, 1997, is expanded after June 30, 1997, the  
 38 definition in subdivision (2) applies to the expanded part of the  
 39 area added after June 30, 1997.
- 40 Except as provided in section 26.2 of this chapter, "property taxes"  
 41 means taxes imposed under IC 6-1.1 on real property. However, upon  
 42 approval by a resolution of the redevelopment commission adopted



1 before June 1, 1987, "property taxes" also includes taxes imposed  
 2 under IC 6-1.1 on depreciable personal property. If a redevelopment  
 3 commission adopted before June 1, 1987, a resolution to include within  
 4 the definition of property taxes, taxes imposed under IC 6-1.1 on  
 5 depreciable personal property that has a useful life in excess of eight  
 6 (8) years, the commission may by resolution determine the percentage  
 7 of taxes imposed under IC 6-1.1 on all depreciable personal property  
 8 that will be included within the definition of property taxes. However,  
 9 the percentage included must not exceed twenty-five percent (25%) of  
 10 the taxes imposed under IC 6-1.1 on all depreciable personal property.

11 (b) A resolution adopted under section 8 of this chapter on or before  
 12 the allocation deadline determined under subsection (i) may include a  
 13 provision with respect to the allocation and distribution of property  
 14 taxes for the purposes and in the manner provided in this section. A  
 15 resolution previously adopted may include an allocation provision by  
 16 the amendment of that resolution on or before the allocation deadline  
 17 determined under subsection (i) in accordance with the procedures  
 18 required for its original adoption. A declaratory resolution or  
 19 amendment that establishes an allocation provision must include a  
 20 specific finding of fact, supported by evidence, that the adoption of the  
 21 allocation provision will result in new property taxes in the area that  
 22 would not have been generated but for the adoption of the allocation  
 23 provision. For an allocation area established before July 1, 1995, the  
 24 expiration date of any allocation provisions for the allocation area is  
 25 June 30, 2025, or the last date of any obligations that are outstanding  
 26 on July 1, 2015, whichever is later. However, an expiration date  
 27 imposed by this subsection does not apply to an allocation area  
 28 identified as the Consolidated Allocation Area in the report submitted  
 29 in 2013 to the fiscal body under section 36.3 of this chapter. A  
 30 declaratory resolution or an amendment that establishes an allocation  
 31 provision after June 30, 1995, must specify an expiration date for the  
 32 allocation provision. For an allocation area established before July 1,  
 33 2008, the expiration date may not be more than thirty (30) years after  
 34 the date on which the allocation provision is established. For an  
 35 allocation area established after June 30, 2008, the expiration date may  
 36 not be more than twenty-five (25) years after the date on which the first  
 37 obligation was incurred to pay principal and interest on bonds or lease  
 38 rentals on leases payable from tax increment revenues. However, with  
 39 respect to bonds or other obligations that were issued before July 1,  
 40 2008, if any of the bonds or other obligations that were scheduled when  
 41 issued to mature before the specified expiration date and that are  
 42 payable only from allocated tax proceeds with respect to the allocation



1 area remain outstanding as of the expiration date, the allocation  
 2 provision does not expire until all of the bonds or other obligations are  
 3 no longer outstanding. The allocation provision may apply to all or part  
 4 of the redevelopment project area. The allocation provision must  
 5 require that any property taxes subsequently levied by or for the benefit  
 6 of any public body entitled to a distribution of property taxes on taxable  
 7 property in the allocation area be allocated and distributed as follows:

8 (1) Except as otherwise provided in this section, the proceeds of  
 9 the taxes attributable to the lesser of:

10 (A) the assessed value of the property for the assessment date  
 11 with respect to which the allocation and distribution is made;  
 12 or

13 (B) the base assessed value;

14 shall be allocated to and, when collected, paid into the funds of  
 15 the respective taxing units.

16 (2) The excess of the proceeds of the property taxes imposed for  
 17 the assessment date with respect to which the allocation and  
 18 distribution is made that are attributable to taxes imposed after  
 19 being approved by the voters in a referendum or local public  
 20 question conducted after April 30, 2010, not otherwise included  
 21 in subdivision (1) shall be allocated to and, when collected, paid  
 22 into the funds of the taxing unit for which the referendum or local  
 23 public question was conducted.

24 (3) Except as otherwise provided in this section, property tax  
 25 proceeds in excess of those described in subdivisions (1) and (2)  
 26 shall be allocated to the redevelopment district and, when  
 27 collected, paid into a special fund for that allocation area that may  
 28 be used by the redevelopment district only to do one (1) or more  
 29 of the following:

30 (A) Pay the principal of and interest on any obligations  
 31 payable solely from allocated tax proceeds that are incurred by  
 32 the redevelopment district for the purpose of financing or  
 33 refinancing the redevelopment of that allocation area.

34 (B) Establish, augment, or restore the debt service reserve for  
 35 bonds payable solely or in part from allocated tax proceeds in  
 36 that allocation area.

37 (C) Pay the principal of and interest on bonds payable from  
 38 allocated tax proceeds in that allocation area and from the  
 39 special tax levied under section 19 of this chapter.

40 (D) Pay the principal of and interest on bonds issued by the  
 41 consolidated city to pay for local public improvements that are  
 42 physically located in or physically connected to that allocation





area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 17.1 of this chapter.

(G) Reimburse the consolidated city for expenditures for local public improvements (which include buildings, parking facilities, and other items set forth in section 17 of this chapter) that are physically located in or physically connected to that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.

(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

(J) Pay the costs of carrying out an eligible efficiency project (as defined in IC 36-9-41-1.5) within the unit that established the redevelopment commission. However, property tax proceeds may be used under this clause to pay the costs of carrying out an eligible efficiency project only if those property tax proceeds exceed the amount necessary to do the following:

(i) Make, when due, any payments required under clauses (A) through (I), including any payments of principal and interest on bonds and other obligations payable under this subdivision, any payments of premiums under this subdivision on the redemption before maturity of bonds, and any payments on leases payable under this subdivision.



- 1 (ii) Make any reimbursements required under this
- 2 subdivision.
- 3 (iii) Pay any expenses required under this subdivision.
- 4 (iv) Establish, augment, or restore any debt service reserve
- 5 under this subdivision.
- 6 (K) Expend money and provide financial assistance as
- 7 authorized in section 7(a)(21) of this chapter.
- 8 The special fund may not be used for operating expenses of the
- 9 commission.
- 10 (4) Before July 1 of each year, the commission shall do the
- 11 following:
- 12 (A) Determine the amount, if any, by which the assessed value
- 13 of the taxable property in the allocation area for the most
- 14 recent assessment date minus the base assessed value, when
- 15 multiplied by the estimated tax rate of the allocation area will
- 16 exceed the amount of assessed value needed to provide the
- 17 property taxes necessary to make, when due, principal and
- 18 interest payments on bonds described in subdivision (3) plus
- 19 the amount necessary for other purposes described in
- 20 subdivision (3) and subsection (g).
- 21 (B) Provide a written notice to the county auditor, the
- 22 legislative body of the consolidated city, ~~and~~ the officers who
- 23 are authorized to fix budgets, tax rates, and tax levies under
- 24 IC 6-1.1-17-5 for each of the other taxing units that is wholly
- 25 or partly located within the allocation area, **and (in an**
- 26 **electronic format) the department of local government**
- 27 **finance.** The notice must:
- 28 (i) state the amount, if any, of excess assessed value that the
- 29 commission has determined may be allocated to the
- 30 respective taxing units in the manner prescribed in
- 31 subdivision (1); or
- 32 (ii) state that the commission has determined that there is no
- 33 excess assessed value that may be allocated to the respective
- 34 taxing units in the manner prescribed in subdivision (1).
- 35 The county auditor shall allocate to the respective taxing units
- 36 the amount, if any, of excess assessed value determined by the
- 37 commission. The commission may not authorize an allocation
- 38 to the respective taxing units under this subdivision if to do so
- 39 would endanger the interests of the holders of bonds described
- 40 in subdivision (3).
- 41 (C) If:
- 42 (i) the amount of excess assessed value determined by the



1 commission is expected to generate more than two hundred  
 2 percent (200%) of the amount of allocated tax proceeds  
 3 necessary to make, when due, principal and interest  
 4 payments on bonds described in subdivision (3); plus  
 5 (ii) the amount necessary for other purposes described in  
 6 subdivision (3) and subsection (g);  
 7 the commission shall submit to the legislative body of the unit  
 8 the commission's determination of the excess assessed value  
 9 that the commission proposes to allocate to the respective  
 10 taxing units in the manner prescribed in subdivision (1). The  
 11 legislative body of the unit may approve the commission's  
 12 determination or modify the amount of the excess assessed  
 13 value that will be allocated to the respective taxing units in the  
 14 manner prescribed in subdivision (1).  
 15 (c) For the purpose of allocating taxes levied by or for any taxing  
 16 unit or units, the assessed value of taxable property in a territory in the  
 17 allocation area that is annexed by any taxing unit after the effective  
 18 date of the allocation provision of the resolution is the lesser of:  
 19 (1) the assessed value of the property for the assessment date with  
 20 respect to which the allocation and distribution is made; or  
 21 (2) the base assessed value.  
 22 (d) Property tax proceeds allocable to the redevelopment district  
 23 under subsection (b)(3) may, subject to subsection (b)(4), be  
 24 irrevocably pledged by the redevelopment district for payment as set  
 25 forth in subsection (b)(3).  
 26 (e) Notwithstanding any other law, each assessor shall, upon  
 27 petition of the commission, reassess the taxable property situated upon  
 28 or in, or added to, the allocation area, effective on the next assessment  
 29 date after the petition.  
 30 (f) Notwithstanding any other law, the assessed value of all taxable  
 31 property in the allocation area, for purposes of tax limitation, property  
 32 tax replacement, and formulation of the budget, tax rate, and tax levy  
 33 for each political subdivision in which the property is located is the  
 34 lesser of:  
 35 (1) the assessed value of the property as valued without regard to  
 36 this section; or  
 37 (2) the base assessed value.  
 38 (g) If any part of the allocation area is located in an enterprise zone  
 39 created under IC 5-28-15, the unit that designated the allocation area  
 40 shall create funds as specified in this subsection. A unit that has  
 41 obligations, bonds, or leases payable from allocated tax proceeds under  
 42 subsection (b)(3) shall establish an allocation fund for the purposes



specified in subsection (b)(3) and a special zone fund. Such a unit shall, until the end of the enterprise zone phase out period, deposit each year in the special zone fund the amount in the allocation fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone that exceeds the amount sufficient for the purposes specified in subsection (b)(3) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

(1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in the enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(3). However, where reference is made in subsection (b)(3) to the allocation area, the reference refers for purposes of payments from the special zone fund only to that part of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment of real property in an area under IC 6-1.1-4-4 and after each reassessment under a reassessment plan prepared under IC 6-1.1-4-4.2, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the



department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(3) than would otherwise have been received if the general reassessment, reassessment under the reassessment plan, or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

SECTION 9. IC 36-7-15.1-35, AS AMENDED BY P.L.6-2012, SECTION 245, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2016]: Sec. 35. (a) Notwithstanding section 26(a) of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of a program adopted under section 32 of this chapter, "base assessed value" means the net assessed value of all of the land as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section 26(h) of this chapter. However, "base assessed value" does not include the value of real property improvements to the land.

(b) The special fund established under section 26(b) of this chapter for the allocation area for a program adopted under section 32 of this chapter may be used only for purposes related to the accomplishment of the program, including the following:



- 1 (1) The construction, rehabilitation, or repair of residential units
- 2 within the allocation area.
- 3 (2) The construction, reconstruction, or repair of infrastructure
- 4 (such as streets, sidewalks, and sewers) within or serving the
- 5 allocation area.
- 6 (3) The acquisition of real property and interests in real property
- 7 within the allocation area.
- 8 (4) The demolition of real property within the allocation area.
- 9 (5) To provide financial assistance to enable individuals and
- 10 families to purchase or lease residential units within the allocation
- 11 area. However, financial assistance may be provided only to those
- 12 individuals and families whose income is at or below the county's
- 13 median income for individuals and families, respectively.
- 14 (6) To provide financial assistance to neighborhood development
- 15 corporations to permit them to provide financial assistance for the
- 16 purposes described in subdivision (5).
- 17 (7) For property taxes first due and payable before 2009, to
- 18 provide each taxpayer in the allocation area a credit for property
- 19 tax replacement as determined under subsections (c) and (d).
- 20 However, this credit may be provided by the commission only if
- 21 the city-county legislative body establishes the credit by
- 22 ordinance adopted in the year before the year in which the credit
- 23 is provided.
- 24 (c) The maximum credit that may be provided under subsection
- 25 (b)(7) to a taxpayer in a taxing district that contains all or part of an
- 26 allocation area established for a program adopted under section 32 of
- 27 this chapter shall be determined as follows:
- 28 STEP ONE: Determine that part of the sum of the amounts
- 29 described in IC 6-1.1-21-2(g)(1)(A) and IC 6-1.1-21-2(g)(2)
- 30 through IC 6-1.1-21-2(g)(5) (before their repeal) that is
- 31 attributable to the taxing district.
- 32 STEP TWO: Divide:
- 33 (A) that part of each county's eligible property tax replacement
- 34 amount (as defined in IC 6-1.1-21-2 (before its repeal)) for
- 35 that year as determined under IC 6-1.1-21-4(a)(1) (before its
- 36 repeal) that is attributable to the taxing district; by
- 37 (B) the amount determined under STEP ONE.
- 38 STEP THREE: Multiply:
- 39 (A) the STEP TWO quotient; by
- 40 (B) the taxpayer's taxes (as defined in IC 6-1.1-21-2 (before its
- 41 repeal)) levied in the taxing district allocated to the allocation
- 42 fund, including the amount that would have been allocated but



1 for the credit.

2 (d) Except as provided in subsection (g), the commission may  
3 determine to grant to taxpayers in an allocation area from its allocation  
4 fund a credit under this section, as calculated under subsection (c), by  
5 applying one-half (1/2) of the credit to each installment of taxes (as  
6 defined in IC 6-1.1-21-2 (before its repeal)) that under IC 6-1.1-22-9  
7 are due and payable in a year. Except as provided in subsection (g),  
8 one-half (1/2) of the credit shall be applied to each installment of taxes  
9 (as defined in IC 6-1.1-21-2 (before its repeal)). The commission must  
10 provide for the credit annually by a resolution and must find in the  
11 resolution the following:

12 (1) That the money to be collected and deposited in the allocation  
13 fund, based upon historical collection rates, after granting the  
14 credit will equal the amounts payable for contractual obligations  
15 from the fund, plus ten percent (10%) of those amounts.

16 (2) If bonds payable from the fund are outstanding, that there is  
17 a debt service reserve for the bonds that at least equals the amount  
18 of the credit to be granted.

19 (3) If bonds of a lessor under section 17.1 of this chapter or under  
20 IC 36-1-10 are outstanding and if lease rentals are payable from  
21 the fund, that there is a debt service reserve for those bonds that  
22 at least equals the amount of the credit to be granted.

23 If the tax increment is insufficient to grant the credit in full, the  
24 commission may grant the credit in part, prorated among all taxpayers.

25 (e) Notwithstanding section 26(b) of this chapter, the special fund  
26 established under section 26(b) of this chapter for the allocation area  
27 for a program adopted under section 32 of this chapter may only be  
28 used to do one (1) or more of the following:

29 (1) Accomplish one (1) or more of the actions set forth in section  
30 26(b)(3)(A) through 26(b)(3)(H) of this chapter.

31 (2) Reimburse the consolidated city for expenditures made by the  
32 city in order to accomplish the housing program in that allocation  
33 area.

34 The special fund may not be used for operating expenses of the  
35 commission.

36 (f) Notwithstanding section 26(b) of this chapter, the commission  
37 shall, relative to the special fund established under section 26(b) of this  
38 chapter for an allocation area for a program adopted under section 32  
39 of this chapter, do the following before July 1 of each year:

40 (1) Determine the amount, if any, by which the assessed value of  
41 the taxable property in the allocation area, when multiplied by the  
42 estimated tax rate of the allocation area, will exceed the amount



of assessed value needed to produce the property taxes necessary to:

- (A) make the distribution required under section 26(b)(2) of this chapter;
- (B) make, when due, principal and interest payments on bonds described in section 26(b)(3) of this chapter;
- (C) pay the amount necessary for other purposes described in section 26(b)(3) of this chapter; and
- (D) reimburse the consolidated city for anticipated expenditures described in subsection (e)(2).

(2) Provide a written notice to the county auditor, the legislative body of the consolidated city, ~~and~~ the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area, **and (in an electronic format) the department of local government finance.** The notice must:

- (A) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in section 26(b)(1) of this chapter; or
- (B) state that the commission has determined that there is no excess assessed value that may be allocated to the respective taxing units in the manner prescribed in section 26(b)(1) of this chapter.

The county auditor shall allocate to the respective taxing units the amount, if any, of excess assessed value determined by the commission.

(g) This subsection applies to an allocation area only to the extent that the net assessed value of property that is assessed as residential property under the rules of the department of local government finance is not included in the base assessed value. If property tax installments with respect to a homestead (as defined in IC 6-1.1-20.9-1 (before its repeal)) are due in installments established by the department of local government finance under IC 6-1.1-22-9.5, each taxpayer subject to those installments in an allocation area is entitled to an additional credit under subsection (d) for the taxes (as defined in IC 6-1.1-21-2 (before its repeal)) due in installments. The credit shall be applied in the same proportion to each installment of taxes (as defined in IC 6-1.1-21-2 (before its repeal)).

SECTION 10. IC 36-7-15.1-36.3, AS AMENDED BY P.L.218-2013, SECTION 17, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2016]: Sec. 36.3. (a) Not later





1 than March 15 of each year, the commission or its designee shall file  
 2 with the mayor **and the fiscal body** a report setting out the  
 3 commission's activities during the preceding calendar year.

4 (b) The report required by subsection (a) must show the names of  
 5 the then qualified and acting commissioners, the names of the officers  
 6 of that body, the number of regular employees and their fixed salaries  
 7 or compensation, the amount of the expenditures made during the  
 8 preceding year and their general purpose, an accounting of the tax  
 9 increment revenues expended by any entity receiving the tax increment  
 10 revenues as a grant or loan from the commission, the amount of funds  
 11 on hand at the close of the calendar year, and other information  
 12 necessary to disclose the activities of the commission and the results  
 13 obtained.

14 (c) A copy of each report filed under this section must be submitted  
 15 to the department of local government finance in an electronic format.

16 ~~(d) Before August 1 each year, the commission shall also submit a~~  
 17 ~~report to the fiscal body.~~ The report **required under subsection (a)**  
 18 must **also** include the following information set forth for each tax  
 19 increment financing district regarding the previous year:

20 (1) Revenues received.

21 (2) Expenses paid.

22 (3) Fund balances.

23 (4) The amount and maturity date for all outstanding obligations.

24 (5) The amount paid on outstanding obligations.

25 (6) A list of all the parcels included in each tax increment  
 26 financing district allocation area and the base assessed value and  
 27 incremental assessed value for each parcel in the list.

28 ~~Before October 1 each year, the fiscal body shall compile the reports~~  
 29 ~~received for all the tax increment financing districts and submit a~~  
 30 ~~comprehensive report to the department of local government finance~~  
 31 ~~in the form required by the department of local government finance.~~

32 SECTION 11. IC 36-7-15.1-53, AS AMENDED BY P.L. 112-2012,  
 33 SECTION 58, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 34 JANUARY 1, 2016]: Sec. 53. (a) As used in this section:

35 "Allocation area" means that part of a redevelopment project area  
 36 to which an allocation provision of a resolution adopted under section  
 37 40 of this chapter refers for purposes of distribution and allocation of  
 38 property taxes.

39 "Base assessed value" means:

40 (1) the net assessed value of all the property as finally determined  
 41 for the assessment date immediately preceding the effective date  
 42 of the allocation provision of the declaratory resolution, as



1 adjusted under subsection (h); plus  
 2 (2) to the extent that it is not included in subdivision (1), the net  
 3 assessed value of property that is assessed as residential property  
 4 under the rules of the department of local government finance, as  
 5 finally determined for any assessment date after the effective date  
 6 of the allocation provision.

7 Except as provided in section 55 of this chapter, "property taxes"  
 8 means taxes imposed under IC 6-1.1 on real property.

9 (b) A resolution adopted under section 40 of this chapter on or  
 10 before the allocation deadline determined under subsection (i) may  
 11 include a provision with respect to the allocation and distribution of  
 12 property taxes for the purposes and in the manner provided in this  
 13 section. A resolution previously adopted may include an allocation  
 14 provision by the amendment of that resolution on or before the  
 15 allocation deadline determined under subsection (i) in accordance with  
 16 the procedures required for its original adoption. A declaratory  
 17 resolution or an amendment that establishes an allocation provision  
 18 must be approved by resolution of the legislative body of the excluded  
 19 city and must specify an expiration date for the allocation provision.  
 20 For an allocation area established before July 1, 2008, the expiration  
 21 date may not be more than thirty (30) years after the date on which the  
 22 allocation provision is established. For an allocation area established  
 23 after June 30, 2008, the expiration date may not be more than  
 24 twenty-five (25) years after the date on which the first obligation was  
 25 incurred to pay principal and interest on bonds or lease rentals on  
 26 leases payable from tax increment revenues. However, with respect to  
 27 bonds or other obligations that were issued before July 1, 2008, if any  
 28 of the bonds or other obligations that were scheduled when issued to  
 29 mature before the specified expiration date and that are payable only  
 30 from allocated tax proceeds with respect to the allocation area remain  
 31 outstanding as of the expiration date, the allocation provision does not  
 32 expire until all of the bonds or other obligations are no longer  
 33 outstanding. The allocation provision may apply to all or part of the  
 34 redevelopment project area. The allocation provision must require that  
 35 any property taxes subsequently levied by or for the benefit of any  
 36 public body entitled to a distribution of property taxes on taxable  
 37 property in the allocation area be allocated and distributed as follows:

38 (1) Except as otherwise provided in this section, the proceeds of  
 39 the taxes attributable to the lesser of:

40 (A) the assessed value of the property for the assessment date  
 41 with respect to which the allocation and distribution is made;  
 42 or



- 1 (B) the base assessed value;  
 2 shall be allocated to and, when collected, paid into the funds of  
 3 the respective taxing units.
- 4 (2) The excess of the proceeds of the property taxes imposed for  
 5 the assessment date with respect to which the allocation and  
 6 distribution is made that are attributable to taxes imposed after  
 7 being approved by the voters in a referendum or local public  
 8 question conducted after April 30, 2010, not otherwise included  
 9 in subdivision (1) shall be allocated to and, when collected, paid  
 10 into the funds of the taxing unit for which the referendum or local  
 11 public question was conducted.
- 12 (3) Except as otherwise provided in this section, property tax  
 13 proceeds in excess of those described in subdivisions (1) and (2)  
 14 shall be allocated to the redevelopment district and, when  
 15 collected, paid into a special fund for that allocation area that may  
 16 be used by the redevelopment district only to do one (1) or more  
 17 of the following:
- 18 (A) Pay the principal of and interest on any obligations  
 19 payable solely from allocated tax proceeds that are incurred by  
 20 the redevelopment district for the purpose of financing or  
 21 refinancing the redevelopment of that allocation area.
- 22 (B) Establish, augment, or restore the debt service reserve for  
 23 bonds payable solely or in part from allocated tax proceeds in  
 24 that allocation area.
- 25 (C) Pay the principal of and interest on bonds payable from  
 26 allocated tax proceeds in that allocation area and from the  
 27 special tax levied under section 50 of this chapter.
- 28 (D) Pay the principal of and interest on bonds issued by the  
 29 excluded city to pay for local public improvements that are  
 30 physically located in or physically connected to that allocation  
 31 area.
- 32 (E) Pay premiums on the redemption before maturity of bonds  
 33 payable solely or in part from allocated tax proceeds in that  
 34 allocation area.
- 35 (F) Make payments on leases payable from allocated tax  
 36 proceeds in that allocation area under section 46 of this  
 37 chapter.
- 38 (G) Reimburse the excluded city for expenditures for local  
 39 public improvements (which include buildings, park facilities,  
 40 and other items set forth in section 45 of this chapter) that are  
 41 physically located in or physically connected to that allocation  
 42 area.



(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.

(I) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance.

However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The special fund may not be used for operating expenses of the commission.

(4) Before July ~~15~~ 1 of each year, the commission shall do the following:

(A) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to provide the property taxes necessary to make, when due, principal and interest payments on bonds described in subdivision (3) plus the amount necessary for other purposes described in subdivision (3) and subsection (g).

(B) Provide a written notice to the county auditor, the fiscal body of the county or municipality that established the department of redevelopment, ~~and~~ the officers who are authorized to fix budgets, tax rates, and tax levies under IC 6-1.1-17-5 for each of the other taxing units that is wholly or partly located within the allocation area, **and (in an electronic format) the department of local government finance.** The notice must:

(i) state the amount, if any, of excess assessed value that the commission has determined may be allocated to the respective taxing units in the manner prescribed in subdivision (1); or



- 1 (ii) state that the commission has determined that there is no  
 2 excess assessed value that may be allocated to the respective  
 3 taxing units in the manner prescribed in subdivision (1).  
 4 The county auditor shall allocate to the respective taxing units  
 5 the amount, if any, of excess assessed value determined by the  
 6 commission. The commission may not authorize an allocation  
 7 to the respective taxing units under this subdivision if to do so  
 8 would endanger the interests of the holders of bonds described  
 9 in subdivision (3).
- 10 (c) For the purpose of allocating taxes levied by or for any taxing  
 11 unit or units, the assessed value of taxable property in a territory in the  
 12 allocation area that is annexed by any taxing unit after the effective  
 13 date of the allocation provision of the resolution is the lesser of:  
 14 (1) the assessed value of the property for the assessment date with  
 15 respect to which the allocation and distribution is made; or  
 16 (2) the base assessed value.
- 17 (d) Property tax proceeds allocable to the redevelopment district  
 18 under subsection (b)(3) may, subject to subsection (b)(4), be  
 19 irrevocably pledged by the redevelopment district for payment as set  
 20 forth in subsection (b)(3).
- 21 (e) Notwithstanding any other law, each assessor shall, upon  
 22 petition of the commission, reassess the taxable property situated upon  
 23 or in, or added to, the allocation area, effective on the next assessment  
 24 date after the petition.
- 25 (f) Notwithstanding any other law, the assessed value of all taxable  
 26 property in the allocation area, for purposes of tax limitation, property  
 27 tax replacement, and formulation of the budget, tax rate, and tax levy  
 28 for each political subdivision in which the property is located, is the  
 29 lesser of:  
 30 (1) the assessed value of the property as valued without regard to  
 31 this section; or  
 32 (2) the base assessed value.
- 33 (g) If any part of the allocation area is located in an enterprise zone  
 34 created under IC 5-28-15, the unit that designated the allocation area  
 35 shall create funds as specified in this subsection. A unit that has  
 36 obligations, bonds, or leases payable from allocated tax proceeds under  
 37 subsection (b)(3) shall establish an allocation fund for the purposes  
 38 specified in subsection (b)(3) and a special zone fund. Such a unit  
 39 shall, until the end of the enterprise zone phase out period, deposit each  
 40 year in the special zone fund the amount in the allocation fund derived  
 41 from property tax proceeds in excess of those described in subsection  
 42 (b)(1) and (b)(2) from property located in the enterprise zone that



exceeds the amount sufficient for the purposes specified in subsection (b)(3) for the year. A unit that has no obligations, bonds, or leases payable from allocated tax proceeds under subsection (b)(3) shall establish a special zone fund and deposit all the property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) in the fund derived from property tax proceeds in excess of those described in subsection (b)(1) and (b)(2) from property located in the enterprise zone. The unit that creates the special zone fund shall use the fund, based on the recommendations of the urban enterprise association, for one (1) or more of the following purposes:

(1) To pay for programs in job training, job enrichment, and basic skill development designed to benefit residents and employers in the enterprise zone. The programs must reserve at least one-half (1/2) of the enrollment in any session for residents of the enterprise zone.

(2) To make loans and grants for the purpose of stimulating business activity in the enterprise zone or providing employment for enterprise zone residents in an enterprise zone. These loans and grants may be made to the following:

(A) Businesses operating in the enterprise zone.

(B) Businesses that will move their operations to the enterprise zone if such a loan or grant is made.

(3) To provide funds to carry out other purposes specified in subsection (b)(3). However, where reference is made in subsection (b)(3) to the allocation area, the reference refers, for purposes of payments from the special zone fund, only to that part of the allocation area that is also located in the enterprise zone.

(h) The state board of accounts and department of local government finance shall make the rules and prescribe the forms and procedures that they consider expedient for the implementation of this chapter. After each general reassessment of real property in an area under IC 6-1.1-4-4 or reassessment under a county's reassessment plan prepared under IC 6-1.1-4-4.2, the department of local government finance shall adjust the base assessed value one (1) time to neutralize any effect of the reassessment of the real property in the area on the property tax proceeds allocated to the redevelopment district under this section. After each annual adjustment under IC 6-1.1-4-4.5, the department of local government finance shall adjust the base assessed value to neutralize any effect of the annual adjustment on the property tax proceeds allocated to the redevelopment district under this section. However, the adjustments under this subsection may not include the effect of property tax abatements under IC 6-1.1-12.1, and these



adjustments may not produce less property tax proceeds allocable to the redevelopment district under subsection (b)(3) than would otherwise have been received if the general reassessment, reassessment under the county's reassessment plan, or annual adjustment had not occurred. The department of local government finance may prescribe procedures for county and township officials to follow to assist the department in making the adjustments.

(i) The allocation deadline referred to in subsection (b) is determined in the following manner:

(1) The initial allocation deadline is December 31, 2011.

(2) Subject to subdivision (3), the initial allocation deadline and subsequent allocation deadlines are automatically extended in increments of five (5) years, so that allocation deadlines subsequent to the initial allocation deadline fall on December 31, 2016, and December 31 of each fifth year thereafter.

(3) At least one (1) year before the date of an allocation deadline determined under subdivision (2), the general assembly may enact a law that:

(A) terminates the automatic extension of allocation deadlines under subdivision (2); and

(B) specifically designates a particular date as the final allocation deadline.

SECTION 12. IC 36-7-15.1-62, AS ADDED BY P.L.7-2013, SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2016]: Sec. 62. (a) Notwithstanding section 26(a) of this chapter, with respect to the allocation and distribution of property taxes for the accomplishment of the purposes of an age-restricted housing program adopted under section 59 of this chapter, "base assessed value" means the net assessed value of all of the property, other than personal property, as finally determined for the assessment date immediately preceding the effective date of the allocation provision, as adjusted under section 26(h) of this chapter.

(b) The allocation fund established under section 26(b) of this chapter for the allocation area for an age-restricted housing program adopted under section 59 of this chapter may be used only for purposes related to the accomplishment of the purposes of the program, including, but not limited to, the following:

(1) The construction of any infrastructure (including streets, sidewalks, and sewers) or local public improvements in, serving, or benefiting the allocation area.

(2) The acquisition of real property and interests in real property within the allocation area.



(3) The preparation of real property in anticipation of development of the real property within the allocation area.

(4) To do any of the following:

(A) Pay the principal of and interest on bonds or any other obligations payable from allocated tax proceeds in the allocation area that are incurred by the redevelopment district for the purpose of financing or refinancing the age-restricted housing program established under section 59 of this chapter for the allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in the allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in the allocation area and from the special tax levied under section 19 of this chapter.

(D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements that are physically located in or physically connected to the allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in the allocation area.

(F) Make payments on leases payable from allocated tax proceeds in the allocation area under section 17.1 of this chapter.

(G) Reimburse the unit for expenditures made by the unit for local public improvements (which include buildings, parking facilities, and other items described in section 17(a) of this chapter) that are physically located in or physically connected to the allocation area.

(c) Notwithstanding section 26(b) of this chapter, the commission shall, relative to the allocation fund established under section 26(b) of this chapter for an allocation area for an age-restricted housing program adopted under section 59 of this chapter, do the following before July 1 of each year:

(1) Determine the amount, if any, by which the assessed value of the taxable property in the allocation area for the most recent assessment date minus the base assessed value, when multiplied by the estimated tax rate of the allocation area, will exceed the amount of assessed value needed to produce the property taxes necessary to:

(A) make the distribution required under section 26(b)(2) of this chapter;





- 1 (B) make, when due, principal and interest payments on bonds
- 2 described in section 26(b)(3) of this chapter;
- 3 (C) pay the amount necessary for other purposes described in
- 4 section 26(b)(3) of this chapter; and
- 5 (D) reimburse the county or municipality for anticipated
- 6 expenditures described in subsection (b)(2).
- 7 (2) Provide a written notice to the county auditor, the fiscal body
- 8 of the county or municipality that established the department of
- 9 redevelopment, ~~and~~ the officers who are authorized to fix budgets,
- 10 tax rates, and tax levies under IC 6-1.1-17-5 for each of the other
- 11 taxing units that is wholly or partly located within the allocation
- 12 area, **and (in an electronic format) the department of local**
- 13 **government finance.** The notice must:
- 14 (A) state the amount, if any, of excess property taxes that the
- 15 commission has determined may be paid to the respective
- 16 taxing units in the manner prescribed in section 26(b)(1) of
- 17 this chapter; or
- 18 (B) state that the commission has determined that there is no
- 19 excess assessed value that may be allocated to the respective
- 20 taxing units in the manner prescribed in subdivision (1).
- 21 The county auditor shall allocate to the respective taxing units the
- 22 amount, if any, of excess assessed value determined by the
- 23 commission.



## COMMITTEE REPORT

Madam President: The Senate Committee on Local Government, to which was referred Senate Bill No. 567, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

Page 18, line 19, before "Not" begin a new paragraph and insert: **"(b)".**

Page 18, between lines 25 and 26, begin a new paragraph and insert:

**"(c) The report required under subsection (b) must also include the following information set forth for each tax increment financing district regarding the previous year:**

**(1) Revenues received.**

**(2) Expenses paid.**

**(3) Fund balances.**

**(4) The amount and maturity date for all outstanding obligations.**

**(5) The amount paid on outstanding obligations.**

**(6) A list of all the parcels included in each tax increment financing district allocation area and the base assessed value and incremental assessed value for each parcel in the list."**

Page 18, line 26, strike "(b)" and insert **"(d)".**

Page 18, line 28, strike "(c)" and insert **"(e)".**

and when so amended that said bill do pass.

(Reference is to SB 567 as introduced.)

HEAD, Chairperson

Committee Vote: Yeas 8, Nays 0.

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 SENATE MOTION

Madam President: I move that Senate Bill 567 be amended to read as follows:

Page 1, line 14, after "chapter," insert **"but subject to subsection (c),"**

Page 2, between lines 4 and 5, begin a new paragraph and insert:

**"(c) The treasurer of the redevelopment commission may disburse funds of the redevelopment commission only after the redevelopment commission allows and approves the disbursement. However, the redevelopment commission may, by rule or**

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**resolution, authorize the treasurer to make certain types of disbursements before the redevelopment commission's allowance and approval at its next regular meeting."**

Page 2, line 5, strike "(c)" and insert "**(d)**".

Page 2, line 12, strike "(d)" and insert "**(e)**".

Page 2, line 17, strike "(e)" and insert "**(f)**".

Page 18, after line 42, begin a new paragraph and insert:

"SECTION 7. IC 36-7-15.1-3.5, AS AMENDED BY THE TECHNICAL CORRECTIONS BILL OF THE 2015 GENERAL ASSEMBLY, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JANUARY 1, 2016]: Sec. 3.5. (a) The controller of the consolidated city is the fiscal officer of a commission subject to this chapter.

(b) The controller may obtain financial services on a contractual basis for purposes of carrying out the powers and duties of the commission and protecting the public interests related to the operations and funding of the commission. **Subject to subsection (c)**, the controller has charge over and is responsible for the administration, investment, and disbursement of all funds and accounts of the ~~authority~~ **commission** in accordance with the requirements of state law that apply to other funds and accounts administered by the controller.

**(c) The controller may disburse funds of the commission only after the commission allows and approves the disbursement. However, the commission may, by rule or resolution, authorize the controller to make certain types of disbursements before the commission's allowance and approval at its next regular meeting."**

Renumber all SECTIONS consecutively.

(Reference is to SB 567 as printed February 6, 2015.)

MILLER PETE

